5th May, 2003, in terms of which banks are required to put in place this Code for Lenders as early as possible, but not later than by 1st August, 2003. The guidelines *inter-alia* stipulated that lenders should ensure timely disbursement of loans sanctioned in conformity with the terms and conditions governing such sanctions.

Crisil Estimates on NPAs of Banks

208. SHRI K.B. KRISHNA MURTHY: Will the Minister of FINANCE be pleased to state:

(a) whether the rating agencies CRISIL and FITCH have estimated independently that the Non-Performing Assets of public sector banks are actually double the estimates worked out by Indian Bank's association;

(b) whether according to CRISIL/FITCH estimates, the combined NPAs of public sector banks have now crossed Rs. 1,300,000 crores mark; and

(c) whether the Reserve Bank of India has any mechanism in place to assess the extent of NPAs of Banks independently and if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANANDRAO VITHOBA ADSUL): (a) and (b) CRISIL have estimated that the gross NPAs of Scheduled Commercial Banks (SCBs) as on 31st March, 2002 were Rs. 1,30, 000/- crores. However, as per RBI, the gross Non Performing Assets (NPAs) of Scheduled Commercial Banks (SCBs) on the same date were Rs. 70903.63 crores (10.41% of gross advances). FITCH ratings have estimated that the net NPAs of SCBs would go up from 5.5% of net advances as on 31st March, 2002 to 11.5% of net advances, if 90 day norm is adopted instead of 180 day norm being used now. However, the estimates made by the rating agencies to not reflect the factual position, as these agencies have done the estimation of NPAs on the basis of a sample and extra polating the results to the entire system. CRISIL has applied a multiple to the reported gross NPAs in the Priority Sector "based on its understanding of the portfolio's profile" to arrive at the estimate of gross NPAs in the Priority Sector. For non Priority Sector's loans CRISIL has classified

the top 100 borrowers of a bank into different rating categories, used the resultant rating distribution and their default probability statistics to estimate the weak assets in non Priority Sector's loans portfolios. FITCH have reckoned assets which are "performing assets" as per the RBI guidelines as deemed non performing and added these to the reported NPAs.

(c) Reserve Bank of India (RBI) has a mechanism in place to assess the extent of NPAs of individual Banks. RBI's assessment is aimed to ensure that the banks have correctly classified the loans assets and provisioning is done as per the prudential norms prescribed by it. Any discrepancy observed in this regard or omission of any NPA is brought out in the Annual Financial Inspection (AFI) report. Banks submit the position regarding the level of NPAs in their off-site returns to RBI. the movement of NPAs is also reflected in the Annual Report as a disclosure in the Notes on Accounts to the balance sheets.

Repayment of bilateral debt

209. SHRIMATI N.P. DURGA: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that Government are thinking of repaying a part of the bilateral debt of about Rs. 7,500 crores;

(b) if so, the details of the countries to which Indian Government propose to repay their debt; and

(c) the total debt outstanding against these countries, country-wise?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANANDRAO VITHOBA ADSUL): (a) Yes, Sir.

(b) and (c) India's outstanding bilateral debt in respect of the following countries is proposed to be pre-paid:—

Sl.No.	Country	Amount (in Rs. crores)
1	2	3
1.	Austria	144.52
2.	Australia	26.01
3.	Belgium	167.18